

COUNTY OF TEHAMA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2007

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AUDITS

COUNTY OF TEHAMA

Single Audit Report
For the Year Ended June 30, 2007

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BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Tehama, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 11, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Tehama's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Tehama's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Tehama's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement is more than inconsequential will not be prevented or detected by the entity's

Board of Supervisors and Grand Jury
County of Tehama

internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as finding 07-FS-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Tehama's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Tehama's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Tehama's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A GALLINA LLP Company

Bartig Basler & Ray, LLP

Roseville, California
February 11, 2008



BARTIG, BASLER & RAY, LLP

A GALLINATI COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, California

Compliance

We have audited the compliance of the County of Tehama, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County of Tehama's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Tehama's management. Our responsibility is to express an opinion on the County of Tehama's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Tehama's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Tehama's compliance with those requirements.

As described in item 07-SA-1 in the accompanying schedule of findings and questioned costs the County of Tehama did not comply with requirements regarding eligibility that are applicable to its Temporary Assistance for Needy Families. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, County of Tehama complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. The results of our auditing

Board of Supervisors and Grand Jury
County of Tehama

procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 07-SA-2 and 07-SA-3.

Internal Control Over Compliance

The management of the County of Tehama is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-SA-1, 07-SA-2, 07-SA-3, and 07-SA-4 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 07-SA-1 and 07-SA-2 to be material weaknesses.

The County of Tehama's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Board of Supervisors and Grand Jury
County of Tehama

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Tehama, California, as of and for the year ended June 30, 2007, and have issued our report thereon dated {DATE}. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Statements of Grant Revenues and Expenditures, beginning on page 31 have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A GALLINA LLP Company

Bartig, Basler & Ray, LLP

Roseville, California
February 11, 2008

COUNTY OF TEHAMA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
Food Stamps	10.551	--	\$ 6,479,046
State Administrative Matching Grants for Food Stamp Program	10.561	--	563,204
Subtotal State Department of Social Services			<u>7,042,250</u>
Passed through State Department of Education:			
Basic School Breakfast Program	10.553	--	14,403
National School Lunch Program	10.555	--	26,626
Subtotal State Department of Education			<u>41,029</u>
Passed through State Controller's Office:			
Schools and Roads -- Grants to States	10.666 *	--	<u>1,051,678</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program Women, Infants & Children	10.557	--	<u>444,291</u>
Passed through State Department for Forestry and Fire Protection:			
Cooperative Forestry Assistance Volunteer Assistance	10.664	7CA55211	<u>19,906</u>
Total U.S. Department of Agriculture			<u>\$ 8,599,154</u>
<u>U.S. Department of the Defense</u>			
Direct Program:			
VIA Department of the Army Office of Chief Engineers:			
Payments to States in Lieu of Real Estate Taxes-Fish & Wildlife	12.112	--	<u>211</u>
Total U.S. Department of the Defense			<u>\$ 211</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Housing Opportunities for Persons with AIDS	14.241	--	4,411
Section 8 Rental Voucher Program	14.871	--	<u>533,361</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 537,772</u>

COUNTY OF TEHAMA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of the Interior</u>			
Direct Programs:			
VIA Fish and Wildlife Service:			
Refuge Revenue Sharing Act of 1978	15.000	PL 95-469	\$ 13,346
VIA Office of the Secretary:			
Payments in Lieu of Taxes	15.226	--	90,475
Total U.S. Department of the Interior			\$ 103,821
<u>U.S. Department of Justice</u>			
Passed through State Office of Emergency Services:			
Marijuana Suppression and Prosecution	16.738	MS06050520	107,558
Anti Drug Abuse Program	16.738	DC06170520	115,727
Subtotal CFDA 16.738			223,285
Victim Witness Assistance Grant	16.575	VW06110520	56,137
Subtotal Office of Emergency Services			279,422
Total U.S. Department of Justice			\$ 279,422
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning & Construction	20.205 *	STPLH5908(060)	75,511
Highway Planning & Construction	20.205 *	HP21L0769(001)	39,327
Highway Planning & Construction	20.205 *	HRRRL5908(075)	23
Highway Planning & Construction	20.205 *	BRLSZD5908(031)	78,562
Highway Planning & Construction	20.205 *	BRLO5908(013)	686
Highway Planning & Construction	20.205 *	BRLS5908(053)	297,391
Highway Planning & Construction	20.205 *	BRLO5908(055)	23,578
Highway Planning & Construction	20.205 *	RPL5908(058)	104,242
Highway Planning & Construction	20.205 *	STPLZ5908(024)	33,574
Highway Planning & Construction	20.205 *	BRLS5908(038)	68,784
Highway Planning & Construction	20.205 *	BHLS5908(039)	55,269
Highway Planning & Construction	20.205 *	BRLKS5908(029)	54,827
Highway Planning & Construction	20.205 *	BRLOZ5908(025)	26,430

COUNTY OF TEHAMA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u> (continued)			
Passed through State Department of Transportation (continued):			
Highway Planning & Construction	20.205 *	BROS0103(015)	\$ 2,741
Highway Planning & Construction	20.205 *	BROS0103(031)	313,732
Subtotal CFDA 20.205			<u>1,174,677</u>
State Planning and Research Transit Section 5305	20.515	--	3,000
State Planning and Research Transit Section 5313B	20.515	--	3,541
Subtotal CFDA 20.515			<u>6,541</u>
Formula Grants for Other than Urbanized Areas - Section 5311	20.509	--	250,105
Subtotal State Department of Transportation			<u>1,431,323</u>
Passed through the State Office of Traffic Safety:			
State & Community Highway Safety	20.600	RS0523	<u>29,142</u>
Total U.S. Department of Transportation			<u>\$ 1,460,465</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Health Services:			
Safe and Drug Free Schools:			
Safe and Drug Free Schools - Mentoring	84.186	--	139,474
Safe and Drug Free Schools - Friday Nite Live Club Live	84.186	--	<u>97,668</u>
Total U.S. Department of Education			<u>\$ 237,142</u>
<u>Federal Election Assistance Commission</u>			
Passed through California Secretary of State			
Help America Vote Act Voting Systems Program	90.401	05GR301052	<u>192,631</u>
Total Federal Election Assistance Commission			<u>\$ 192,631</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Area Agency on Aging:			
Senior Nutrition - Assisted Transportation Program	93.044	IIIB-01712-07	11,985
Senior Nutrition - Congregate and Home Delivered	93.045	IIIC-080-07	<u>146,385</u>
Subtotal Area Agency on Aging			<u>158,370</u>

* Major Program

COUNTY OF TEHAMA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services:			
Foster Care – Title IV-E	93.658	--	\$ 2,710,760
Foster Care – Wrap Around	93.658	--	74,925
Subtotal CFDA 93.658			<u>2,785,685</u>
In Home Supportive Services PCSP Administration	93.667	--	124,826
In Home Supportive Services	93.667		76,035
Subtotal CFDA 93.667			<u>200,861</u>
Family Preservation and Support Services	93.556	--	155,150
Temporary Assistance for Needy Families	93.558 *	--	10,012,420
Federal Community Based Family Resource Grant	93.590	--	23,589
Child Welfare Services -- State Grants	93.645	--	65,970
Adoption Assistance Program	93.659 *	--	787,601
Independent Living	93.674	--	71,063
Medical Assistance Program	93.778 *	--	839,669
Subtotal			<u>11,955,462</u>
Subtotal State Department of Social Services			<u>14,942,008</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563 *	--	<u>1,164,102</u>
Passed through State Department of Community Services and Development:			
Community Services Block Grant (2005)	93.569	06F-4751	<u>152,559</u> ✓
Subtotal State Department of Community Services and Development			<u>152,559</u>
Passed through State Department of Health Services:			
Maternal and Child Health Services	93.994	--	95,532
California Children's Service	93.994	--	164,667
Child Health & Disability Prevention CHDP	93.994	--	69,979
Subtotal CFDA 93.994			<u>330,178</u>

COUNTY OF TEHAMA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Services (continued):			
Local Public Health Preparedness and Response to Bio-Terrorism	93.283	HHS#US1294	\$ 165,915
Short/Doyle Medi-Cal	93.778 *	--	1,705,250
Health Care Program for Children in Foster Care	93.778 *	--	20,380
HIV Care Grant (Ryan White Care Act)	93.917	--	30,079
Subtotal State Department of Health Services			<u>2,251,802</u>
Passed through the State Department of Mental Health:			
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	<u>191,136</u>
Passed through State Department of Alcohol and Drug Programs			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>792,268</u>
Total Department of Health and Human Services			<u>\$ 19,652,245</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Emergency Services:			
Homeland Security Grant Program - FY05	97.067	2005-15	67,445
Homeland Security Grant Program - FY06	97.067	2006-71	145,724
Subtotal CFDA 97.067			<u>213,169</u>
Flood Mitigation Assistance	97.029	EMF-2003-GR-0352	19,494
FEMA Assistance to Firefighters	97.044	--	<u>694,202</u>
Total U.S. Department of Homeland Security			<u>\$ 926,865</u>
Total Expenditures of Federal Awards			<u><u>\$ 31,989,728</u></u>

COUNTY OF TEHAMA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Tehama. The County of Tehama's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>Federal CFDA</u>	<u>Program</u>	<u>Amount</u>
84.186	Safe and Drug Free Schools	\$ 205,742
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	6,000
93.045	Senior Nutrition – Congregate and Home Delivered	280,267

COUNTY OF TEHAMA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 5: **Department of Aging Federal/State Share**

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	\$ 11,985	\$ 11,985
93.045	<u>146,385</u>	<u>146,385</u>
Total	<u>\$ 158,370</u>	<u>\$ 158,370</u>

Note 6: **Loans Outstanding**

The program listed below had the following aggregate, federally-funded loans outstanding at June 30, 2007:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
14.228	Community Development Block Grant/State's Program	\$ 124,486

Note 7: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 6,479,046
10.561	State Administrative Matching Grants for Food Stamp Program	<u>563,204</u>
Total		<u>\$ 7,042,250</u>

COUNTY OF TEHAMA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 7: **Program Clusters** (continued)

Child Nutrition Network:

10.553	Basic School Breakfast Program	\$ 14,403
10.555	National School Lunch Program	<u>26,626</u>
	Total	<u>\$ 41,029</u>

Aging Cluster

93.044	Senior Nutrition - Assisted Transportation Program	\$ 11,985
93.045	Senior Nutrition - Congregate and Home Delivered	<u>146,385</u>
	Total	<u>\$ 158,370</u>

Note 8: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 9: **Total Federal Awards Expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778	\$ 2,565,299

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|-------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not
considered to be material weaknesses? | Yes |
| 3. Noncompliance material to financial
statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not
considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance
for major programs: | |
| Temporary Assistance for Needy Families | Qualified |
| All Other Major Programs | Unqualified |
| 3. Any audit findings disclosed that are required
to be reported in accordance with Circular
OMB A-133, Section 510(a)? | Yes |

4. Identification of major programs:

CFDA Number

Name of Federal Program

10.666
20.205
93.558

Schools and Roads -- Grants to States
Highway Planning & Construction
Temporary Assistance for Needy
Families
Adoptions Assistance Program
Medical Assistance Program
Child Support Enforcement

93.659
93.778
93.563

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 1 (continued)

Federal Awards (continued)

- | | |
|---|------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 959,692 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

Section 2

Financial Statement Findings

Controls Over Financial Reporting	Finding 07-FS-1
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Section 3

Federal Award Findings and Questioned Costs

CFDA 93.558	Finding 07-SA-1
CFDA 93.778	Finding 07-SA-2
CFDA 93.563	Finding 07-SA-3
CFDA 93.563	Finding 07-SA-4

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
07-FS-1	<i>Reporting Requirement: Significant Deficiency</i>
Controls Over Financial Reporting (SAS 112)	<p><u>Criteria</u></p> <p>In May 2006, a new auditing standard, Statement on Auditing Standard No. 112, <i>Communicating Internal Control Related Matters Identified in a Audit</i> (SAS 112), was issued and applies to the County's current year fiscal audit. The standard provides guidance in that if an entity is unable to draft its own financial statements, there may be a material weakness or significant deficiency. External auditors cannot be part of the County's internal controls, including controls over the preparation of the financial statements, and are prohibited from auditing their own work as doing so impairs their independence.</p> <p>The County should have the capacity to prepare full disclosure financial statements in accordance with generally accepted accounting principles. To carry out this responsibility, the County must have proper internal controls over financial reporting in place. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify misstatements in the financial records, retaining staff competent in financial reporting and related oversight roles, and adequate design of internal control over the preparation of the financial statements.</p> <p><u>Condition</u></p> <p>Currently, the County relies on the external auditors to ensure its financial statements are in accordance with generally accepted accounting principles (GAAP).</p> <p><u>Cause</u></p> <p>Prior to the issuance of SAS 112, the County was able to rely on the external auditors to assist with the financial statements and related notes without being subject to control deficiencies.</p>

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
07-FS-1 (continued)	<u>Effect or Potential Effect</u> The risk of misstatement in the financial statements increases when management is not able to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes. Also, by relying on the external auditors to ensure its financial statements are in accordance with GAAP, the County is considering the external auditors a part of its internal controls over the preparation of the financial statements.
Controls Over Financial Reporting (SAS 112)	<u>Recommendation</u> The County may consider the following possible actions: <ul style="list-style-type: none">• Provide training opportunities for its accounting staff that would enable them to become more familiar with the general disclosure requirements. This training should include, but is not limited to, the usage of a disclosure checklist, which provides guidance to the financial statement's content and whether a necessary disclosure has been overlooked• Hire an external Certified Public Accountant to confirm that the financial statements and related disclosures are in accordance with GAAP• Take no action. The County may find that the costs outweigh the benefits to adhere to this standard. No action will continue to result in a significant deficiency in the County's internal controls over the preparation of the financial statements.
	<u>Management Response</u> The County has begun to take necessary action to comply with the SAS 112 standards. The County Auditor's staff currently compiles the information needed to prepare the financial statements including the Management's Discussion and Analysis. While it may take a few years to be fully compliant, we plan to provide our accounting staff with the resources necessary to prepare the financial statements in accordance with GAAP. These resources will include appropriate software, record keeping controls and training.

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary Assistance for Needy Families CFDA 93.558	<i>Pass-Through Entity: State Department of Social Services</i>
	<i>Compliance Requirement: Eligibility</i>
	<i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to Major Program</i>
Award No. Year: 2006-2007	We tested eligibility in twenty-four TANF cases and noted the following exceptions:
	<u>Criteria and Condition</u>
	<i>IEVS:</i>
	As required by Section 1137 of the Social Security Act, benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility, level of assistance, benefits or services.
	We noted that four case files did not contain an IEVS for at least one assisted member of a family tested. A total of seven individuals in these families did not have an IEVS but were required to have one.
	<i>60-month Time-on-Aid Limit:</i>
	Unless an exemption applies, any family that includes an adult, minor child head of household or a spouse of the head of household who has received assistance under any State program funded by federal TANF funds for sixty months (whether or not consecutive) is ineligible for additional federally funded TANF assistance. As an internal control over this requirement, the County maintains "60-month clocks" to track the number of months a client has been on TANF.
	In testing this eligibility requirement, we noted that six case files did not contain an up-to-date sixty-month clock.

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-1 (continued)	<u>Criteria and Condition</u> (continued)
CFDA 93.558	<p><i>Assistance to Non-Citizens:</i></p> <p>“Qualified aliens,” as defined at 8 USC 1641b, entering the United States on or after August 22, 1996, are not eligible for Federal public benefits, as defined in 8 USC 1611(c), for a period of five years beginning on the date of the client’s entry into the United States, unless they meet an exception at 8 USC 1612(b)(2) or 1613. In order to comply with these requirements, counties must document a client’s citizenship status in the file.</p> <p>In one case, we noted that no documentation existed in the file that the one assisted member of the family was a United States citizen or was a “qualified alien” and had legally been in the United States for at least five years.</p> <p><i>Birth Certificate or Alternate proof of age and citizenship:</i></p> <p>The <i>California Department of Social Services Manual of Policies and Procedures</i> requires that an individual applying for TANF provide a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship.</p> <p>In two cases, the file did not contain the required birth certificates or other enumerated, alternate documents to show birth, age, and citizenship. For each of these two cases, this documentation was missing for just one assisted member of the family.</p> <p><u>Questioned Costs</u></p> <p>Undetermined. Though documentation was missing in each case above, no client involved was ineligible for the benefits they received.</p> <p><u>Perspective</u></p> <p>For birth certificates or allowable alternates, for IEVS and for citizenship status, we compute the error rate by multiplying the total cases tested by the average number of assisted members of a family of 3.5. We compute the error rate for birth certificates or allowable</p>

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-1 (continued)	<u>Perspective (continued)</u> alternates for birth certificates at 2.4%. We compute the error rate for missing IEVS at 8.4%. We compute the error rate for missing citizenship status documentation at 1.2%.
CFDA 93.558	<u>Effect of Condition</u> The effect of the exceptions enumerated above is that clients might receive benefits to which they are not entitled. <u>Recommendation</u> We recommend that the Department review the facts regarding these exceptions and determine whether (1) each is an isolated instance of noncompliance; or (2) procedures might be implemented to prevent recurrence of such errors. If further internal controls can be implemented, we recommend that they be implemented. <u>Corrective Action Plan</u> <i>IEVS:</i> Tehama County has implemented a new tickler flag for each case that has not yet received an IEVS. This tickler flag will be attached to each new application or add a person application. The tickler flag is a reminder to Eligibility Staff that the case is still in need of a signed IEVS. The tickler flag remains in place until the Eligibility Staff verifies the information and signs the IEVS report. Eligibility supervisors are to check cases during their authorization reviews to ensure that the IEVS was processed in compliance with regulations. This new process should be implemented by March 30, 2008. <i>60-month Time-on-aid Limit:</i> Tehama County has hired a dedicated Eligibility Worker to maintain all cases that require tracking of the 60-month clock. This position will be filled on March 30, 2008.

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-1 (continued)	<u>Corrective Action Plan</u> (continued)
CFDA 93.558	<i>Assistance to Non-Citizens:</i> Tehama County believes that this was an isolated error. Eligibility Supervisors have spoken to staff regarding the rules for documentation of citizenship. These requirements will be done by March 30, 2008. <i>Birth Certificate or Alternative Proof of Age and Citizenship:</i> Additional training will be provided to staff to go over the requirement for birth certificates, as well as methods of setting controls to ensure birth certificates are provided within 90 days of granting benefits as stated in the regulations. Both the Lead Workers and Supervisors are to check cases during their authorization reviews to ensure that the BC is included as per regulations. These requirements will be done by April 30, 2008. Contact person: Lorena Jones Telephone Number: 530-528-4062
Finding 07-SA-2	<i>Federal Grantor:</i> U.S. Department of Health and Human Services
Medical Assistance Program	<i>Pass-Through Entity:</i> State Department of Social Services
CFDA 93.778	<i>Compliance Requirement:</i> Eligibility
Award No. n/a	<i>Reporting Requirement:</i> Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objectives
Year: 06/07	
	We tested eligibility in twenty-four Medi-Cal cases and noted the following exceptions:

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-2 (continued)	<u>Criteria and Condition</u>
CFDA 93.778	<i>Documentation of Property:</i> <p>22 California Code of Regulations § 50420 contains property limits allowable for the California Medical Assistance Program (Medi-Cal). The maximum amount of property a person is allowed under the Medi-Cal program is between \$2,000 – \$4,200. Internal controls require that counties document in the file the amount of property Medi-Cal clients own and input this information into the eligibility software, ISAWS.</p> <p>We noted one discrepancy between a Medi-Cal clients' income as documented in the file and income input into ISAWS.</p> <i>Documentation of Income:</i> <p>In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination and a written application, signed under penalty of perjury. The County must use these documents in determining eligibility and the Medi-Cal share of cost.</p> <p>In one case, we noted that the income information documented in the file did not match the income input into ISAWS.</p> <i>Assistance to Non-Citizens:</i> <p>Noncitizen clients who entered the United States on or after August 22, 1996, are not eligible for Federal public benefits for a period of five years beginning on the date of the client's entry into the United States, unless an exception under 8 USC 1612(b)(2) or 1613 applies. Counties determine citizenship status and date of entry into the United States from documents provided by the client. The County then inputs this information into ISAWS. Without the County ever knowing, the State of California funds legal permanent residents who have not been in the United States for five years with state funds rather than federal funds based upon information input by the counties. However, for this system to work, citizenship information and the date of legal entry in the United States for noncitizens must be correctly coded by the County in the eligibility system.</p>

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Findings/Noncompliance

Finding 07-SA-2 (continued)

CFDA 93.778

Criteria and Condition (continued)

We noted two cases where a noncitizen received federal Medi-Cal benefits but had not been legally in the United States for the required five years.

Annual Redeterminations:

Every twelve months the County must redetermine the eligibility of Medi-Cal recipients with respect to circumstances that may change (e.g., income eligibility). The County must have procedures designed to ensure that recipients make timely and accurate reports of any changes in circumstances that may affect their eligibility. The County must promptly reassess eligibility when it receives information about changes in a recipient's circumstances that may affect his or her eligibility. 42 CFR § 435.916.

We noted one case where the annual redetermination was past due by three months.

Questioned Costs

Undetermined. The state handles the actual medical benefits and the County has no access to this information. Because the medical benefits would be the source of any questioned costs, we could not determine what costs to question.

Perspective

For documentation of citizenship, we compute the error rate by multiplying the total cases tested by the average number of assisted members of a family of 3.5. We compute the error rate for documentation of citizenship at 2.4%.

Effect of Condition

The effect of the exceptions enumerated above is that clients could receive medical care under this program to which they are not entitled.

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Findings/Noncompliance

Finding 07-SA-2
(continued)

CFDA 93.778

Recommendation

We recommend that the Department review the facts regarding these exceptions and determine whether (1) each is an isolated instance of noncompliance; or (2) procedures might be implemented to prevent recurrence of these errors. If further internal controls can be implemented, we recommend that they be implemented.

Corrective Action Plan

Documentation of Property:

Tehama County has implemented mini-unit trainings that will address the way income is determined and the documentation that is required to verify and calculate income. We are currently in the process of creating a procedures manual that will assist workers with these individual topics. These specific areas will be addressed at a higher priority in this process.

These procedures will be implemented by May 1, 2008.

Assistance to Non-Citizens:

Since we did not have the case number associated with this error, Tehama County has implemented additional training to workers addressing the requirements for issuing benefits to non-citizens. A follow-up unit meeting with the bilingual eligibility staff will be held to review these requirements.

This will be done by March 30, 2008.

Annual Redeterminations

Tehama County is currently severely understaffed. We are hiring more eligibility workers to try and eliminate this type of error.

This should be done by June 30, 2008.

Contact person: Lorena Jones
Telephone Number: 530-528-4062

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-3	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Child Support	<i>Pass-Through Entity: State Department of Child Support Services</i>
Enforcement	<i>Compliance Requirement: Allowable Activities/Cost Principles</i>
CFDA 93.563	<i>Reporting Requirement: Significant Deficiency; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i>
Award No. n/a	
Year: 2006-2007	

Criteria

Direct payroll charges to federal grants for employee time spent on grant functions must be supported with documentation as required by OMB Circular A-87, which provides: "Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications should be prepared at least semi-annually and be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee." OMB Circular No. A-87, Attachment B, § 11(h).

Condition

During our testing of time certificates under these A-87 provisions for the Child Support program, we noted that for three employees tested the time certification was signed but the percentage of time that the employee worked on the Child Support program (which presumably would be 100%) was not completed. Therefore, these statements are of little use in complying with the requirements discussed above.

Questioned Costs

We did not question any costs. Child Support employees in this county (and most other counties we audit) work 100% on the Child Support Enforcement program.

Perspective

It appears that these employees simply neglected to insert the "100%" in the area which shows the percent of time the Child Support employee worked on the Child Support Enforcement program.

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-3 (continued) CFDA 93.563	<p><u>Effect of the Condition</u></p> <p>The completion of time certifications enables the department to establish that its full-time employees do in fact work exclusively on this program in accordance with A-87 standards. Without the periodic time certifications, employee assignments away from federal grant functions might be overlooked.</p> <p><u>Recommendation</u></p> <p>When preparing the semi-annual time certifications, we recommend that supervisory personnel review the time certifications signed by the employees and make sure that the certification is appropriately completed, signed by the employee, and approved by the supervisor. We further recommend that the County remind the Child Support employees of the importance of completing the percentage of time worked on the program in their time certifications.</p> <p><u>Corrective Action Plan</u></p> <p>An instruction sheet on how to complete the time certification along with an example of a completed time certification will be handed out to all employees to retrain them on completing the time certification form. This will be done just prior to the next time certification coming due (03/31/08). The supervisors will also be reminded to review the completed time certification in detail before they sign off on them.</p> <p>Contact Person: Cassandra Dainauskus (530) 527-3110, ext. 312</p>

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-4	<i>Federal Grantor:</i> U.S. Department of Health and Human Services
Child Support Enforcement CFDA 93.563	<i>Pass-Through Entity:</i> State Department of Child Support Services <i>Compliance Requirement:</i> Reporting <i>Reporting Requirement:</i> Significant Deficiency
Award No. n/a Year: 2006-2007	<u>Criteria</u> <p>The United States has enacted "expedited processes," which State child support agencies must follow in establishing court orders and collecting child support. Under these "expedited processes," State agencies must comply with very strict timelines. Every county is required to complete a Data Reliability Review on the status of child support cases they handle. The Data Reliability Review is essentially a test of the reliability of the information reported on the CS 1257 report. Questions in this report are, generally, whether or not the following information is correct in the software system (CASES): Status of the case (what the next step is, i.e. "EST," "PAT", "LOR"; and whether the case is open or closed), how many orders were established in the month, whether or not current support due was collected and distributed, etc. On an annual basis, the county must complete a Child Support Performance Review, which provides information regarding establishment, enforcement, review and adjustment, interstate, medical, collection and distribution. Based upon these county reports, the State is required to report certain criteria on child support case status to the federal government.</p> <p>If the status in the software system is incorrect, status of case reports to the State of California will contain errors.</p> <u>Condition</u> <p>We tested twenty-four cases on "expedited processes" requirements. One case showed a status of "LOR" but the status should have been "MNO."</p> <u>Questioned Costs</u> <p>Undetermined.</p>

COUNTY OF TEHAMA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-4 (continued) CFDA 93.563	<p><u>Perspective</u></p> <p>We do not believe any further information assists in proper perspective for this exception.</p> <p><u>Effect of the Condition</u></p> <p>Case status in the software system (CASES) affects statistical information reported to the State of California and can affect statutorily required percentages under the expedited processes laws.</p> <p><u>Recommendation</u></p> <p>The Child Support Department currently has policies and procedures in effect to ensure that the status is correctly input into the CASES software. We recommend that eligibility management remind the case workers of the importance of correctly designating the status in those few cases where case status is not automatically set by the software.</p> <p><u>Corrective Action Plan</u></p> <p>This was an isolated incident. Our recent transition to the Statewide Child Support System should eliminate any future discrepancies. Case Function Status is automatically populated by the CSE System.</p> <p>Should you have any questions feel free to contact Linda Robertson at 530-527-3110 Ext. 329.</p>

COUNTY OF TEHAMA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

Audit Reference Number	Status of Prior Year Audit Findings
Finding 06-1	<u>Recommendation</u> The County has already responded to this audit exception by appropriately amending the June 30 th , 2006 County Expense Claim. In the future, we recommend that persons authorized by the department to approve direct charges carefully consider whether the charges may benefit multiple programs before granting approval. For charges over a certain amount, the department could designate a specific person to verify the purpose of the charge prior to approval. <u>Status</u> Corrected.
Finding 06-2	<u>Recommendation</u> We recommend that the Department review this omission to request, review, and compare the IEVS to information in this case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is reviewed and this review is documented in each case. <u>Status</u> Partially corrected. During testing this year, we noted no errors in requesting IEVS while there were four errors last year. However, we did note one error in that the eligibility worker did not sign the IEVS after using it in eligibility determination.

COUNTY OF TEHAMA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2007

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
Finding 06-3	<u>Recommendation</u>
Block Grants for the Prevention and Treatment of Substance Abuse (SAPT) CFDA 93.959	We recommend that the department develop a formal indirect cost rate proposal in accordance with OMB Circular A-87 and maintain it on file for audit. Further, if the department elects to develop a proposal that utilizes prior year data to allocate current year expenditures, we recommend that the department submit the plan for approval.
Award No. n/a Year: 2005-2006	<u>Status</u> Corrected.

**SUPPLEMENTAL STATEMENTS
OF GRANT REVENUE AND EXPENDITURES**

COUNTY OF TEHAMA
Supplementary Statement of Grant Expenditures
Office of Emergency Services
For the Year Ended June 30, 2007

California Office of Emergency Services Grants

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2007. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
<u>DC06170520</u>						
Personal services	\$ --	\$ 86,927	\$ 86,927	\$ 86,927	\$ --	\$ --
Operating expenses	--	28,800	28,800	28,800	--	--
Totals	<u>\$ --</u>	<u>\$ 115,727</u>	<u>\$ 115,727</u>	<u>\$ 115,727</u>	<u>\$ --</u>	<u>\$ --</u>
<u>MS06050520</u>						
Personal services	\$ --	\$ 93,302	\$ 93,302	\$ 93,302	\$ --	\$ --
Operating expenses	--	14,256	14,256	14,256	--	--
Totals	<u>\$ --</u>	<u>\$ 107,558</u>	<u>\$ 107,558</u>	<u>\$ 107,558</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VW06110520</u>						
Personal services	\$ --	\$ 111,541	\$ 111,541	\$ 52,358	\$ 59,183	\$ --
Operating expenses	--	13,347	13,347	3,779	9,568	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 124,888</u>	<u>\$ 124,888</u>	<u>\$ 56,137</u>	<u>\$ 68,751</u>	<u>\$ --</u>

COUNTY OF TEHAMA

Supplementary Statement of Grant Revenues and Expenditures
CSD Contract No. 06F-4751
For the Period January 1, 2006 through December 31, 2006

	January 1, 2006 through June 30, 2006	July 1, 2006 through December 31, 2006	Totals
<u>REVENUE</u>			
Grant Revenue	\$ 115,684	\$ 57,872	\$ 173,556
Interest Income	81	25	106
Total Revenues	<u>\$ 115,765</u>	<u>\$ 57,897</u>	<u>\$ 173,662</u>
<u>EXPENDITURES</u>			
<u>Administration</u>			
Salary and wages	\$ 16,013	\$ 7,361	\$ 23,374
Fringe benefits	8,287	2,513	10,800
Operating Expenses	3,659	1,594	5,253
Other costs	<u>5,573</u>	<u>--</u>	<u>5,573</u>
Total Administration	33,532	11,468	45,000
<u>Program</u>			
Subcontractors	<u>80,599</u>	<u>47,957</u>	<u>128,556</u>
Total Costs	<u>\$ 114,131</u>	<u>\$ 59,425</u>	<u>\$ 173,556</u>

COUNTY OF TEHAMA

Supplementary Statement of Grant Revenues and Expenditures

CSD Contract No. 06F-4751

For the Period January 1, 2007 through December 31, 2007

	January 1, 2007 through June 30, 2007	July 1, 2007 through December 31, 2007	Totals
<u>REVENUE</u>			
Grant Revenue	\$ 120,097	\$ --	\$ 120,097
Total Revenues	<u>\$ 120,097</u>	<u>\$ --</u>	<u>\$ 120,097</u>
<u>EXPENDITURES</u>			
<u>Administration</u>			
Salary and wages	\$ 14,596	\$ --	\$ 14,596
Fringe benefits	9,792	--	9,792
Operating Expenses	<u>4,468</u>	<u>--</u>	<u>4,468</u>
Total Administration	28,856	--	28,856
<u>Program</u>			
Subcontractors	<u>64,278</u>	<u>--</u>	<u>64,278</u>
Total Costs	<u>\$ 93,134</u>	<u>\$ --</u>	<u>\$ 93,134</u>